



Staff Recommendation Regarding Compliance of Paint Stewardship Program Year 1 Revised Annual Report

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CA Paint Stewardship (AB 1343)

- 2nd paint stewardship law in U.S.
- **PaintCare** is stewardship organization

- **Webpages on paint:**



- **PaintCare webpage:** www.paintcare.org/california
- **CalRecycle webpage:** www.calrecycle.ca.gov/paint



PaintCare's Role

- **Develop plan & implement program**
- **Collect and distribute funds**
- **Report on progress in Annual Reports**

CalRecycle's Role

- Review & approve stewardship plans
- List compliant manufacturers & brands
- Review Annual Reports & program progress
- Ability to assess civil penalties

Implementation History

- **September 2010**: AB 1343 passed
- **June 2012**: Regulations approved
- **July 2012**: PaintCare Plan approved
- **October 2012**: PaintCare Program begins in CA
- **September 2013** (annually thereafter): PaintCare's Annual Report due

Annual Report Review History

- **October 1, 2013**: PaintCare submitted Year 1 Annual Report
- **October 14, 2013**: Public workshop on Annual Report
- **January 5, 2014**: PaintCare submitted revised report
- **March 11, 2014**: Public workshop to discuss program
- **April 15, 2014**: RFA re: program compliance

Compliance Review Elements

- Per PRC 48705(b) CalRecycle reviews reports & adopts finding of compliance or noncompliance with chapter
 - **Annual Report Review**
 - **Overall Program Review**

Annual Report Revisions

- CalRecycle requested information on 16 topics, including:
 - *Temporary events*
 - *Retail pick-up schedules*
 - *Methodology/conversion factor*
 - *Disposition methods*
 - *Cost/gallon*
 - *Surplus funding*
 - *CA assessment funds*
 - *Audit expense categories*
 - *Legal fees*
 - *Lawsuit expenses*
 - *ACA administrative support services*
 - *Allowance for bad debts*
- PaintCare's responses were adequate
- CalRecycle anticipates this sort of information will be in future reports

Compliance – Overall Program Review

- **Postconsumer Paint Recovery**
 - Recovery volume low, projected to increase
- **Statewide Program Convenience**
 - Distribution goal achieved, working on density goal
- **Program Costs**
 - Cost/gal & surplus high, expected to decrease
- **Establishment of Collection Infrastructure**
 - Continually finalizing contracts & increasing # of drop-off sites
- **Proper Management of Collected Paint**
 - Ensure highest/best use

Priority Areas for Monitoring & Oversight

Convenience

- Rural coverage
- Pick-up schedules
- Temporary events

Retail Participation

- Retail site requirements
- Voluntary participation

Costs

- Financial transparency
- Cost/gallon
- Reuse
- Bulking vs. loose-packing
- Conversion factor

Convenience

- **Rural Coverage:** Inadequate number of drop-off sites in some rural areas
- **Pick-up Schedules:** retail sites reaching capacity before pick-ups

Retail Participation

- **Retail drop-off site requirements:**
 - HMBP requirement challenge for recruiting retailers
 - AB 2748 could increase retail participation
- **Voluntary participation:**
 - Retailers should have fair & equal opportunities
 - “Big box” stores declined to participate

Costs

- **Financial transparency:** CalRecycle will audit PaintCare's compliance with statute and regs
- **Cost/gallon:** high program cost, \$/gallon expected to decrease
- **Reuse:** increasing reuse could reduce overall costs
- **Bulking vs. loose-packing:** bulking less costly, loose-packing produces higher quality recycled paint

Summary of Compliance Findings

- Summary of Program Implementation:
 - 632,652 gallons of paint collected
 - 63 contracts w/ local govt. HHW program
 - ↑ # of retail collection sites to 530
 - Significant education & outreach efforts
- Staff **recommends a finding of compliance**
- Identified priority areas for monitoring & oversight

Next Steps

- Continue to monitor & assess program implementation
- Upcoming CalRecycle audit of PaintCare
- Continue to address convenience and other concerns
- Year 2 Annual Report due October 1, 2014



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For more information...

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- **Public Notice Page:**

www.calrecycle.ca.gov/Actions/PublicNoticeDetail.aspx?id=1186&aiid=1079

- **Paint Product Stewardship Listserv:** www.calrecycle.ca.gov/listservs/